

August 7, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6794
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	32,136	1.4	1,767	30.8	1,948	10.9	1,487	34.5
June 30, 2024	31,687	14.2	1,351	124.1	1,757	245.1	1,106	-

Note: Comprehensive income For the three months ended June 30, 2025: ¥(463) million [-%]
 For the three months ended June 30, 2024: ¥4,726 million [72.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	66.63	-
June 30, 2024	49.73	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	104,952	67,030	56.7	2,663.60
March 31, 2025	106,826	68,731	57.0	2,726.13

Reference: Equity As of June 30, 2025: ¥59,474 million
 As of March 31, 2025: ¥60,870 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	20.00	-	40.00	60.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		35.00	-	35.00	70.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	135,000	(1.9)	6,500	(4.4)	6,000	(22.3)	4,000	2.5	178.47

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	25,000,000 shares
As of March 31, 2025	25,000,000 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	2,671,437 shares
As of March 31, 2025	2,671,437 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	22,328,563 shares
Three months ended June 30, 2024	22,250,468 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For details on the conditions on which earnings forecasts are based and precautions for using earnings forecasts, please refer to the "Explanation of Forward-Looking Information on Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 2 of the Appendix.

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1. Overview of operating results, etc.

(1) Operating results for the period under review

During the three months ended June 30, 2025, the global economic outlook remained uncertain due to ongoing geopolitical risks, including the conflict in the Middle East, as well as policy changes in the U.S. and their impact on global consumption and demand.

In the automotive market, the Foster Group's (the "Group") focus, U.S. tariff policy changes have heightened uncertainty, both through the direct impact of tariff burdens and the indirect impact on demand trends. Amid such circumstances, we worked to minimize the impact of tariffs through careful price negotiations with customers and flexible adjustments to our logistics. In April, we launched a new medium-term business plan, positioning the mobility-related and consumer-related businesses as our two core growth pillars. Under this plan, we began implementing initiatives aimed at driving further growth. In the core mobility-related business, we focused on expanding orders in the automotive sector by leveraging our long-standing expertise in quality car speakers and our stable, global supply system.

As a result, consolidated net sales in the three months ended June 30, 2025 were ¥32,136 million (up 1.4% YoY), operating profit was ¥1,767 million (up 30.8% YoY), ordinary profit was ¥1,948 million (up 10.9% YoY), and profit attributable to owners of parent was ¥1,487 million (up 34.5% YoY).

Results by segment were as follows.

(Speaker Segment)

Net sales amounted to ¥26,614 million (up 3.8% YoY), owing to the promotion of a sales strategy focused on the branded and premium-level products. On the profit front, operating profit was ¥1,559 million (up 26.1% YoY), backed by increased sales of high-margin speakers.

(Mobile Audio Segment)

Net sales were ¥3,125 million (down 17.8% YoY), as higher-than-expected shipments of consumer actuators, as well as earphones and earphone drivers for key customers, were offset by sluggish sales of car headphones and weaker sales to other customers. On the profit front, operating profit fell to ¥201 million (down 8.0% YoY) due to the decline in sales.

(Other Segment)

In the Other segment, which includes micro acoustic components and FOSTEX brand products, net sales amounted to ¥2,395 million (up 6.3% YoY), driven by robust sales of speakers for acoustic vehicle alerting systems. On the profit front, operating profit improved to ¥6 million, with the segment turning a profit from a loss of ¥104 million in the same period of the previous fiscal year, supported by enhanced profitability resulting from structural reforms undertaken since prior periods.

(Note) Net sales by segment shown above reflect figures after the elimination of inter-segment transactions.

(2) Financial position for the period under review

As of June 30, 2025, total assets amounted to ¥104,952 million, down ¥1,873 million from March 31, 2025, mainly due to a decrease in finished goods. Owing chiefly to a decrease in accounts payable-trade, total liabilities were down ¥171 million to ¥37,922 million. Net assets came to ¥67,030 million, down ¥1,701 million, mainly reflecting a decrease in foreign currency translation adjustment. The equity ratio was 56.7% as of June 30, 2025, down 0.3 percentage points from March 31, 2025.

(Cash flows for the period under review)

Cash and cash equivalents as of June 30, 2025 totaled ¥22,243 million, up ¥1,471 million from the level on March 31, 2025, as a result of the cash flows described below.

(Operating activities)

Net cash provided by operating activities was ¥1,320 million, chiefly due to a decrease in inventories.

(Investing activities)

Net cash provided by investing activities totaled ¥84 million, mainly due to proceeds from sale of investment securities.

(Financing activities)

Net cash provided by financing activities totaled ¥969 million, primarily due to an increase in short-term borrowings.

(3) Explanation of forecast of consolidated financial results and other forward-looking information

At this time, we have not made changes to the full-year forecast announced in the consolidated financial results on May 15, 2025.

2. Quarterly consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	20,388	22,243
Notes and accounts receivable - trade	29,972	29,806
Electronically recorded monetary claims - operating	727	756
Securities	1,115	297
Finished goods	17,210	15,866
Raw materials	7,275	6,771
Work in process	1,304	1,338
Supplies	322	458
Accounts receivable - other	2,232	2,341
Advance payments to suppliers	833	919
Other	1,722	1,500
Allowance for doubtful accounts	(59)	(76)
Total current assets	83,045	82,223
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,327	7,005
Machinery, equipment and vehicles, net	5,578	5,620
Tools, furniture and fixtures, net	1,884	1,902
Land	3,384	3,324
Construction in progress	1,219	1,158
Total property, plant and equipment	19,394	19,011
Intangible assets		
Software	328	324
Other	140	132
Total intangible assets	469	457
Investments and other assets		
Investment securities	2,328	1,748
Long-term prepaid expenses	68	77
Retirement benefit asset	1,102	1,034
Deferred tax assets	228	228
Other	187	172
Total investments and other assets	3,916	3,260
Total non-current assets	23,780	22,729
Total assets	106,826	104,952

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,998	16,831
Short-term borrowings	4,902	7,136
Current portion of long-term borrowings	600	600
Accounts payable - other	2,518	2,585
Lease liabilities	485	439
Income taxes payable	1,270	944
Accrued expenses	3,144	2,309
Provision for bonuses	609	410
Other	1,357	2,851
Total current liabilities	33,886	34,108
Non-current liabilities		
Long-term borrowings	1,650	1,500
Deferred tax liabilities	775	615
Lease liabilities	933	867
Retirement benefit liability	122	122
Provision for retirement benefits for directors (and other officers)	12	13
Provision for share awards	144	144
Other	568	551
Total non-current liabilities	4,207	3,813
Total liabilities	38,094	37,922
Net assets		
Shareholders' equity		
Share capital	6,770	6,770
Capital surplus	6,935	6,935
Retained earnings	39,483	40,074
Treasury shares	(3,937)	(3,937)
Total shareholders' equity	49,251	49,842
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	925	701
Foreign currency translation adjustment	10,949	9,164
Remeasurements of defined benefit plans	(255)	(233)
Total accumulated other comprehensive income	11,619	9,631
Non-controlling interests	7,861	7,555
Total net assets	68,731	67,030
Total liabilities and net assets	106,826	104,952

(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)
Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	31,687	32,136
Cost of sales	26,488	26,517
Gross profit	5,198	5,618
Selling, general and administrative expenses	3,846	3,850
Operating profit	1,351	1,767
Non-operating income		
Interest income	75	60
Dividend income	18	19
Foreign exchange gains	525	154
Miscellaneous income	89	72
Total non-operating income	708	307
Non-operating expenses		
Interest expenses	187	89
Miscellaneous losses	115	37
Total non-operating expenses	303	126
Ordinary profit	1,757	1,948
Extraordinary income		
Gain on sale of investment securities	-	295
Total extraordinary income	-	295
Profit before income taxes	1,757	2,243
Income taxes - current	492	391
Income taxes for prior periods	(173)	-
Income taxes - deferred	(50)	(32)
Total income taxes	268	359
Profit	1,488	1,884
Profit attributable to non-controlling interests	381	396
Profit attributable to owners of parent	1,106	1,487

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,488	1,884
Other comprehensive income		
Valuation difference on available-for-sale securities	148	(224)
Foreign currency translation adjustment	3,091	(2,155)
Remeasurements of defined benefit plans, net of tax	(1)	32
Total other comprehensive income	3,238	(2,347)
Comprehensive income	4,726	(463)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,078	(499)
Comprehensive income attributable to non-controlling interests	648	36

(3) Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,757	2,243
Depreciation	819	778
Decrease (increase) in retirement benefit asset	29	47
Increase (decrease) in retirement benefit liability	(3)	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(16)	0
Increase (decrease) in allowance for doubtful accounts	18	18
Increase (decrease) in provision for bonuses	(138)	(197)
Loss (gain) on sale of investment securities	-	(295)
Interest and dividend income	(93)	(80)
Interest expenses	187	89
Foreign exchange losses (gains)	5	(37)
Decrease (increase) in trade receivables	(882)	(811)
Decrease (increase) in inventories	(865)	1,041
Increase (decrease) in trade payables	1,735	(1,340)
Decrease (increase) in accounts receivable - other	(220)	(224)
Increase (decrease) in accounts payable - other	(420)	140
Decrease (increase) in advance payments to suppliers	(1,176)	(111)
Other, net	778	779
Subtotal	1,514	2,040
Interest and dividends received	93	80
Interest paid	(187)	(89)
Income taxes paid	(578)	(711)
Income taxes refund	173	-
Net cash provided by (used in) operating activities	1,015	1,320
Cash flows from investing activities		
Proceeds from redemption of securities	660	401
Purchase of investment securities	(0)	-
Proceeds from sale of investment securities	-	564
Purchase of property, plant and equipment	(978)	(774)
Purchase of intangible assets	(63)	(24)
Purchase of long-term prepaid expenses	(55)	(54)
Other, net	(13)	(29)
Net cash provided by (used in) investing activities	(451)	84
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,062)	2,414
Repayments of long-term borrowings	(193)	(150)
Dividends paid	(336)	(896)
Dividends paid to non-controlling interests	(169)	(266)
Other, net	(128)	(132)
Net cash provided by (used in) financing activities	(1,890)	969
Effect of exchange rate change on cash and cash equivalents	612	(903)
Net increase (decrease) in cash and cash equivalents	(712)	1,471
Cash and cash equivalents at beginning of period	17,034	20,771
Cash and cash equivalents at end of period	16,321	22,243

(4) Notes to the quarterly consolidated financial statements**(Notes on going concern assumption)**

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Notes on segment information, etc.)

Segment Information

I. the three months of the previous fiscal year (April 1, 2024 to June 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments			Total	Adjustment (Note) 1	Amounts on consolidated financial statements (Note)2
	Speaker	Mobile audio	Other			
Net sales						
Sales to external customers	25,633	3,800	2,253	31,687	-	31,687
Inter-segment sales or transfers	-	-	939	939	(939)	-
Total	25,633	3,800	3,192	32,626	(939)	31,687
Segment profit (loss)	1,236	218	(104)	1,351	-	1,351

Note: 1 The amount of adjustment for segment profit or loss (loss) is the elimination of inter-segment transactions.

2 The total amount of segment profit or loss (loss) is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

II. the three months of the current fiscal year (April 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments			Total	Adjustment (Note) 1	Amounts on consolidated financial statements (Note)2
	Speaker	Mobile audio	Other			
Net sales						
Sales to external customers	26,614	3,125	2,395	32,136	-	32,136
Inter-segment sales or transfers	-	-	697	697	(697)	-
Total	26,614	3,125	3,093	32,834	(697)	32,136
Segment profit	1,559	201	6	1,767	-	1,767

Note 1 The amount of segment profit adjustment is the elimination of inter-segment transactions.

2 The total amount of segment profit is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.